

## **BOARD OF DIRECTORS – ACTION SUMMARY**

**Wednesday, August 25, 2004 – 6:00 p.m.**

**Administration Building  
2101 Hurley Way, Sacramento, CA**

### **CALL TO ORDER**

The meeting was called to order by President Jones. Board Members present: Duveneck, Engellenner, Goold, Granados, Jones, Kelly, Lawson, Trujillo, Valley. Staff: Fire Chief Martinez, Board Clerk Tilson.

### **PLEDGE OF ALLEGIANCE**

### **PUBLIC OPPORTUNITY TO DISCUSS MATTERS OF PUBLIC INTEREST WITHIN DISTRICT JURISDICTION INCLUDING ITEMS ON OR NOT ON THE AGENDA**

- Dick Crooks referenced the last County Board of Supervisors election. He received a campaign mailout with a picture of Mr. Duveneck with one of our truck crews stating they supported his candidacy for the Board of Supervisors. He inquired about District policy or guidelines in this area since there are quite a few Board Directors up for reelection.

Fire Chief Martinez stated there is a fine line – people are not prohibited from having their picture taken in front of our facilities, for example; but staff cannot portray themselves as the District's representative endorsing a candidate. With respect to Metro symbols and signs such as the badge, patch, and fire engine, law precludes the purposeful use.

### **CONSENT AGENDA:**

#### **1. Board Meeting Action Summary—August 11, 2004**

- **Board Action:**  
*Engellenner/Valley—approve the Consent Agenda. Directors Engellenner, Goold, Granados, Jones, Kelly, Lawson, Trujillo, Valley, AYE. Director Duveneck, abstaining. Motion carried.*

**ACTION ITEM(S)****1. Physical Requirements in Job Descriptions—(Means)**

- Pursuant to the review of all the District's job descriptions and the Americans with Disabilities Act (ADA), the physical requirement section in all of the District's job descriptions are antiquated and in violation of the ADA with reference to use of body parts for movement or to perform job functions.
- Staff recommends modifying all job descriptions under the physical requirement section as follows:

“Maintain physical ability and stamina to meet position tasks and responsibilities. Physical abilities must be commensurate with the essential functions of the position. No person shall pose a direct threat to themselves or to the health and safety of other individuals in the work place, or to the public they serve.”
- The Policy Committee at its meeting on August 11, 2004, unanimously supported the recommendation.
- **Board Action:**  
*Trujillo/Duveneck—Approve the staff recommendation. Directors Duveneck, Engellenner, Goold, Granados, Jones, Kelly, Lawson, Trujillo, Valley, AYE. Motion carried.*

**2. Rancho Cordova Boundary Adjustment—  
LAFCo Application (9-04)—(Appel)**

- Due to an inadvertent oversight at the time of incorporation, the legal description of the new City of Rancho Cordova created an island of unincorporated territory between two parcels within the City boundaries. Sacramento LAFCo initiated an application for annexation to correct the minor boundary oversight.
- The proposed boundary adjustment for the City of Rancho Cordova would not create an adverse impact on the District.
- Staff recommends the District go on record in support of the proposed annexation of territory under Sacramento LAFCo Application (9-04) and direct staff to send LAFCo a letter to that effect.
- **Board Action:**  
*Engellenner/Goold—Approve the staff recommendation. Directors Duveneck, Engellenner, Goold, Granados, Jones, Kelly, Lawson, Trujillo, Valley, AYE. Motion carried.*

### 3. Towne Annexation to Rio Linda/Elverta Community Water District – LAFCo Application (11-04)—(Appel)

- The proposed annexation to Rio Linda/Elverta Community Water District would not create an adverse impact on the District.
- The territory proposed for annexation into the Rio Linda/Elverta Community Water District currently is not served by a municipal water system.
- The proposed annexation would enhance our life safety service delivery capabilities to the affected area. The Rio Linda/Elverta Community Water District has demonstrated a willingness and ability to increase water supply distribution that could produce significant benefits if firefighting operations should be needed in the area.
- Beneficial to the District with a likelihood of enhanced revenues through an increase in the area's property values and their related ad valorem taxes.
- Staff recommends the District Board go on record in support of the proposed annexation under Sacramento LAFCo Application (11-04) and direct staff to send LAFCo a letter to that effect.
- **Board Action:**  
*Engellenner/Granados—approve the staff recommendation. Directors Duveneck, Engellenner, Goold, Granados, Kelly, Lawson, Trujillo, Valley, Jones, AYE. Motion carried.*

### 4. Independent Audit of the Helicopter Program—(Martinez)

- Director Jones stated part of the discussion should focus on the policy issue of what triggers an independent review.
- Fire Chief Martinez distributed to the Board a five-page staff report dated February 4, 2004, accompanied by an eleven-page attachment containing the fiscal review document, providing a detailed overview of the District Air Operations Program since its inception, to include:
  - **Attachment A** - An overview of the response activity for the 2003 Fire Season.
  - **Attachments B, C, D** - Documenting the Annual Operating Expenses for Copter 1.

- **Attachments B, C, D** - Documenting the Annual Fire Suppression Helicopter Leasing Expenses.
  - **Attachment E** - Revenue related to aviation.
  - **Attachment F** - One-Time capital expenses associated with the start up and maintenance of the program along with an estimation of the October 15, 2003 engine failure.
  - **Attachment G** - Expense Summary of all aviation programs within the District.
- Fire Chief Martinez stated the District has an independent audit done by the County of Sacramento every year and felt confident in the figures presented, but expressed no objection to a financial review for validation if desired by the Board.
  - Director Trujillo supported an independent audit to determine the helicopter cost to date. Concern expressed to ensure the program remain within budget and not impact other contracts.

A cost benefits analysis of the program would alleviate concerns relative to the overall operation and scope of the Program.

Fire Chief Martinez stated that staff has no intent to break any contractual obligation.

- Pros and cons expressed on an independent audit.
- Discussion focused on the issue of mutual aid/automatic aid and the related cost for the helicopter time spent outside of our District; call reimbursement.

Fire Chief Martinez stated statistics can be provided on the number of responses outside of the District.

- Future workshop to discuss mutual aid/automatic aid outside of our jurisdiction and answer any questions.

- **Board Action:**

*General consensus that Board members contact Board Clerk Tilson with available dates for a workshop meeting within the next six weeks.*

**5. Resolution No. 45-04 – Industrial Disability Retirement Application --  
Fire Engineer Russell E. Knierim—(Appel)**

[Considered after the Closed Session]

- Work related injury precluding performance of duties in the position of Fire Engineer.
- Application filed with the Public Employees' Retirement System.
- Recommend approval; retirement effective February 1, 2004.
- **Board Action:**  
*Engellenner/Granados—adopt the Resolution. Directors Duveneck, Engellenner, Goold, Granados, Trujillo, Valley, Jones, AYE. Directors Kelly, Lawson, abstaining. Motion carried.*

**PRESENTATION ITEM(S):**

**1. Pension Funding Bonds Update—(Appel)**

- The September 8 presentation consists of a panel of resident experts such as bond counsel, underwriters, insurance companies, disclosure attorneys to answer questions. Questions from Director Lawson will be addressed.

Program presentation will include draft documents, anticipated bonding amount, financing, interest rates, terms of the bonds, etc. Concern was expressed on who could authorize the sale of the bonds – recommends the Board as a Whole and any member available.

- Distributed an article received from Director Granados on "United Likely to Terminate Pension Plans."

There are two types of pension programs – a defined contribution and a defined benefit. A defined contribution is like a 401(k) or an IRA – the participant puts money into a selected investment option and receives a return at the end.

The other kind is a defined benefit plan – the same plan as United Airlines and CalPERS. Money is placed into the plan and the employees are guaranteed a percent of their payroll for life when they retire. If the market goes down, we need to put more money into the plan. United is underfunded by \$8.3 billion and having difficulty making payments. With the amount of money we are depositing versus the actuarial payout over the next 20 – 30 years, our underfunding with PERS is about \$54 million. The concept is to sell the bonds and deposit the entire amount of funds into PERS, then amortize the payments over a 20 – 30 year period through the bonds.

- Specific questions from Board members to be sent to Deputy Chief Appel in addition to questions of resident experts.
- Board parameters will be incorporated into the Resolution.
- Deputy Chief Appel, General Counsel Price, and Bill Sponable representing Local 522 are working on this project.

If the Board members want someone present, there is no problem.

- Overview on September 8 and looking for Board direction; finalization on September 22.

**PRESIDENT'S REPORT—(Jones)**      None.

**FIRE CHIEF'S REPORT—(Martinez)**

- September 8, 2004 – FY 2004/05 Final Budget presentation  
September 22, 2004 – FY 2004/05 Final Budget adoption
- September 3, 2004 at 9:00 a.m. – Special Meeting of the Finance Committee for the FY 2004/2005 Final Budget presentation.  
  
Proposed Final Budget looks substantially similar to the Preliminary Budget.

**GENERAL COUNSEL'S REPORT—(Price)**      None.

**COMMITTEE AND DELEGATE REPORTS:**

**Executive Committee—(Jones)**

- Next meeting: TBA

**Communications Center Delegate—(Engellenner)**

- Next Meeting: August 31, 2004 – 10:30 a.m.

**California Fire & Rescue Training Authority—(Goold)**

- Next Meeting: September 16, 2004 – 10:00 a.m.

**Finance Committee—(Jones)**

- Received presentation on meeting held today.
- Next meeting: September 3, 2004 – 9:00 a.m.

**Policy Committee—(Granados)**

- Next meeting: September 8, 2004 – 5:00 p.m.
- Chair Granados will be out-of-town for the October 13, 2004 Board and Policy Committee meetings.  
  
Director Engellenner available to attend as alternate for the Policy Committee meeting.

**BREAK FOLLOWED BY CLOSED SESSION 7:30 PM**

[Taken out of order after Presentation Items]

**RECONVENE TO OPEN SESSION 7:55 PM**

Report by Fire Chief Martinez:

**1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**

Pursuant to California Government Code Section 54956.9(a) – One (1) Case

Russell E. Knierim vs Sacramento Metropolitan Fire District  
WCAB SAC 0328703

Directors Kelly and Lawson recused.

The Board was updated on medical status; Mr. Knierim presented testimony. No action taken.

The retirement Resolution for consideration under Action Item No. 5.

**2. PERSONNEL MATTER**

Pursuant to California Government Code Section 54957

Fire Chief's Evaluation

No discussion.

**BOARD MEMBER QUESTIONS AND COMMENTS****Jones:**

- Board members to provide availability dates for a workshop within next six weeks.

**Valley:**

- September 14 - 21, 2004 – on vacation in Maine.

**Lawson:**

- The intent of his previous questions only concerned the budget and what can be done to enhance the cost to the District; no inference to Metro not living up to the second and third year of the contract.

**Kelly:**

- Due to presentation timelines, inquired if the budget and bond issue should be considered at the same date on September 8.
  - Deputy Chief Appel stated the bond presentation will take about 30 minutes.
  - No major changes in the Final Budget – it should conclude quickly.

**Granados:**

- Requested Finance Director Houghton provide the Final Budget in an Excel worksheet format.

**Martinez:**

- A very strong advocate of collective bargaining. The Final Budget is relatively status quo with no take aways.

**ADJOURNMENT:** The meeting was adjourned at 8:15 p.m.

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Gay Jones, President

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H. Peter Engellenner, Secretary

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Charlotte Tilson, Clerk of the Board